

easily go somewhere else for this production credit which places them on a level playing field with all the states in the surrounding area. That was the argument we used last year. If we end up adopting the Johnson amendment, what we are going to be doing is again cutting them, more and above what we already did in the amendment that we compromised on once before in this bill. If we eliminate the 20 cents production or gallon production credit for expanded ethanol production,...

SPEAKER BAACK: One minute.

SENATOR SMITH: ...that would have a major impact on their investment, and jeopardize their program to expand the plant, to increase ethanol production. The bottom line is that they need to maintain their production credit on the existing production until the ethanol market has expanded substantially because of recent changes in the Federal Clean Air Act. I would like to remind the body the reasons why we have enacted it one more time. That was to place them on a level playing field. Nebraska producers, prior to the passage of LB 1124, were at a competitive disadvantage because of surrounding states, the competition that we are provided there. If we removed the production credit from the existing production, we'd seriously jeopardize the viability of Nebraska's ethanol industry. And Senator Schmit is the person, as he has told us many times, is the person that brought this all about. He brought this to us, and I know it is not taking the turn that Senator Schmit would like to see it take quite now, but, Senator Schmit, you should think about the fact that you have been successful, at this point in time, in the fact that....

SPEAKER BAACK: Time.

SENATOR SMITH: ...Nebraska does have a plant here and it is because of your efforts. I would like to see your support continue that we already have and add to the development.

SPEAKER BAACK: Senator Kristensen.

SENATOR KRISTENSEN: Thank you, Mr. Speaker and members. I rise to support the Wehrbein amendment to the amendment for a couple of reasons. One is that I have heard on a couple of occasions, in fact, I think it was Senator Schrock, we did sort of an eggs and issues breakfast out in Kearney a few weeks ago, talk about the benefit that the ethanol industry has had to the farm, to